

## Message Text

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PAGE 01 DACCA 03268 240551Z  
ACTION OPIC-06

INFO OCT-01 NEA-11 ISO-00 L-03 EB-08 COME-00 TRSE-00  
/029 W

-----096267 241406Z /46

R 240229Z MAY 78  
FM AMEMBASSY DACCA  
TO SECSTATE WASHDC 9424

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PASS OPIC

E.O. 11652: N/A  
TAGS: EINV, BG  
SUBJ: BELBAGCO CLAIM

REF: STATE 129496

1. DURING AN INTRODUCTORY CALL ON ADVISER FOR INDUSTRIES JAMAL UDDIN AHMAD MAY 19, THE AMBASSADOR RAISED THE BELBAGCO CLAIM AND URGED A PROMPT SETTLEMENT ON THE BASIS OF AMBASSADOR SIDDIQI'S \$620,000 OFFER. THE AMBASSADOR STRONGLY EMPHASIZED THE BELBGCO CLAIM IS AN IMPEDIMENT TO FURTHER U.S. PRIMATE INVESTMENT IN BANGLADESH, THAT THE CLAIM COULD CREATE AN ADVERSE REACTION IN CONGRESS, AND THAT UNTIL IT IS SETTLED THE USG IS NOT IN A POSITION TO FACILITATE FURTHER U.S. INVESTMENT HEJE. HE ADDED THAT OPIC HAD ACCEPTED AMBASSADOR SIDDIQI'S OFFER TO SETTLE FOR \$620,000 IN GOOD FAITH AND THAT OUR WILLINGNESS TO ACCEPT THIS AMOUNT REPRESENTED ANOTHER OF MANY SUBSTANTIAL COMPROMISES. HE SAID WE ARE NOT DISPOSED TO COMPROMISE FURTHER.

2. THE ADVISER REPLIED THAT PAYMENT OF THE \$620,000 AT THE CURRENT TAKA/DOLLAR EXCHANGE RATE WOULD BE INCONSISTENT WITH ACCOUNTING PRINCIPLES WHICH THE BDG HAS  
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FOLLOWED IN COMPENSATING OTHER CLAIMANTS. SINCE "THERE ARE NO SECRETS IN BANGLADESH" EVERYONE WOULD KNOW OF THE BELBAGCO SETTLEMENT AND THE GOVERNMENT'S POSITION WITH OTHER CLAIMANTS WOULD BE UNDERMINED. WOULD IT BE POSSIBLE FOR THE U.S. TO DEDUCT AN AMOUNT FROM ITS ECONOMIC ASSISTANCE IN LIEU OF THE ADDITIONAL AMOUNT WE WANT IN SETTLEMENT OF THE BELBAGCO CLAIM? THE AMBASSADOR SAID

NO. THE ADVISER HOPED SOME WAY COULD BE FOUND TO SATISFY OUR CLAIM WITHOUT VIOLATING THE GOVERNMENT'S PRINCIPLES AND ASKED THAT ECONOFF WILCOX, WHO WAS PRESENT, TO MEET WITH SECRETARY FOR INDUSTRIES MATIUL ISLAM TO WORK OUT A PROMPT SOLUTION.

3. COMMENT: WE HAVE JUST RECEIVED TEXT OF AMBASSADOR SIDDIQI'S LETTER TO OPIC AND ACTING PRESIDENT POATS' LETTER TO AMBASSADOR SIDDIQI (REFTEL). ON MAY 18, BEFORE THE AMBASSADOR'S MEETING WITH THE ADVISER, SECRETARY FOR INDUSTRIES ISLAM INFORMED WILCOX THAT THE MINISTRY HAD INSTRUCTED SIDDIQI TO WRITE THIS LETTER. WILCOX PLANS TO MEET WITH ISLAM THIS WEEK. HE WILL RESTATE U.S. POSITION THAT WE WISH TO SETTLE FOR TAKA EQUIVALENT OF \$620,000, AT THE EXCHANGE RATE PREVAILING ON DATES OF INSTALLMENTS PAYABLE OVER A THREE-YEAR PERIOD, AS PREVIOUSLY AGREED IN DISCUSSIONS WITH SIDDIQI.  
SCHNEIDER

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** CLAIMS, TEXTILES, NATIONALIZATION, INDEMNIFICATION  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 24 may 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Document Number:** 1978DACCA03268  
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**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
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**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
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**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014